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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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SOURCE:

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General

1. In Mukachevo (N48-26, E22-43) and, source believes, elsewhere in the USSR, it is possible for a person to build a private home. Source estimates that between 100 and 200 houses are built by individual builders in Mukachevo each year.

Application

2. A person desiring to build a home must submit a plan to the City Executive Committee (Gorispolkom). The Gorispolkom plans the number of decisions (resheniya) it will issue each year in approving the construction of private homes. However, the Gorispolkom ordinarily approves all applications from citizens desiring to build their own homes, provided that the applicants do not already have homes and provided further that the applicants do not have records of failing to fulfill previous building contracts. When considering a person's application for permission to build a house, the Gorispolkom does not take into consideration the salary a person earns.
3. About two weeks after the person submits his plan to the Gorispolkom, the latter issues a resheniye. The applicant receives a vypiska resheniya (extract from the directive) which certifies that his request to build a private home has been approved. The first steps toward the beginning of construction must be taken within six months of the issuance of this document or the permission to build is withdrawn.

Land

4. The lot on which the house is to be built is assigned by the Gorispolkom. The only fee charged for the land is the amount which must be paid to have a surveying engineer measure off the plot. Source paid 75 rubles to have this

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done. The money was given to the Gorispolkom, which had provided the surveyor.

5. The State stipulates that the person who is assigned a plot of ground must plant trees, plants, etc. and do other things to enhance the value and appearance of the land.

Materials

6. After receiving his vypiska, the person building a house takes the vypiska to the planning section of the Gorispolkom. There he is issued forms which indicate how much of each type of construction material he will be allowed to purchase from various enterprises. The builder personally buys the needed materials from the local enterprises which manufacture them. When source was building a home, he was able to purchase his allotment of building materials at prices which were higher than those charged to State enterprises engaged in construction but lower than the open-market price for such items. As an example of the difference in prices charged, State enterprises pay 18 kopeks per brick while private builders pay 27 kopeks per brick. Source also pointed out that, except for nails and lumber, most construction materials are seldom available on the open market.

7. Source was able to hire a truck from his place of employment. It cost him 147 rubles for each thousand kilometers, this price including the wages of a driver and the cost of fuel consumed. A person who could not obtain a truck from his own working place would have to resort to bribes in an effort to obtain a truck to transport materials.

Labor

8. In late 1949 or early 1950, the Supreme Soviet of the USSR issued a directive (postanovleniye) concerning private construction. According to this directive, a person who wants to build his own house can hire building-trades specialists from the enterprise in which he works. These specialists assist in the construction of the more complicated parts of the house. If the person's own place of employment does not have employees with construction-trades specialties, the person can ask some other enterprise to furnish the needed laborers.

9. Specified wage norms are laid down for the payment of laborers for this type of work. In all cases, the person building the house pays the office of the enterprise supplying the specialists; the office in turn reimburses the workers for their labor. A tax is imposed on the wages of specialists who work on private construction after regular hours. This tax is imposed as part of the regular income tax and sometimes amounts to as much as 20 per cent of the income earned through this type of extra work. Because of the severity of the tax, outside work of this kind is often done illegally. If a construction worker were apprehended doing work illegally in his off-hours, he would probably be fined 75 per cent or more of the amount paid to him for his work. Source was able to do much of the work on his house himself.

Finance

10. Source believes that 1,500 rubles would be sufficient to begin construction on a house. Measuring of the lot and other expenses would cost about 500 rubles and materials for the foundation 1,000 rubles. The Gosbank is approached for a loan to finance private construction only after all pertinent papers have been drawn up by the Gorispolkom. The vypiska resheniya and the materials-requisition forms must be notarized before being presented to the Gosbank; source paid about 150 rubles for notary fees. The builder brings all these forms, plus his pasport, to the Gosbank when applying for a loan. On the basis of the forms and pasport, a contract (dogovor) is drawn up, specifying the time it will take to build the house, the cost, and other items. After the contract has been drawn up by the city section of the Gosbank, it is sent to the oblast section for final approval.

11. No money is advanced to an applicant for a loan until construction on his home has actually begun, and the entire amount of the loan is never provided in a lump sum. Money is advanced according to the stage of construction. For example, before the Gosbank would provide the first 2,000 rubles of a 10,000-ruble loan, the builder would have to complete the foundation of the house and obtain a certificate from the Gorispolkom engineer stating that 20 per cent of the house had been completed.

12. The maximum amount which can be loaned to an individual builder is 10,000 rubles,

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although two persons constructing a double house could each borrow 10,000 rubles. The interest rate on a loan is 1.5 per cent, and interest is charged only on that part of the loan which has already been advanced. Interest is paid to the Gosbank in quarterly installments. Bachelors must repay the Gosbank within five years of the date on which the contract for a loan was signed. A married man with a family is given seven years to repay his loan.

13. Private construction is very seldom completed within the original time limit specified in the contract with the Gosbank. Nearly all builders are forced to ask for more time to complete construction. So long as actual construction is progressing, permission for an extension is usually granted. Only when a builder defaults in his building program to an extraordinary degree will the Gosbank foreclose on the

14. In addition to the Gosbank, there is another possible source of credit for prospective home owners. This is the enterprise for which they work or the ministry under which their enterprise operates. However, if money is obtained from this source, the person is not entitled to additional funds from the Gosbank.

Change of Ownership

15. If a home owner moves to another locality, he can sell his home to anyone he chooses. To prove his title to the property to be sold, the owner would use his contract with the Gosbank and the vypiska from the Gorispolkom.

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Renting

16. [REDACTED]

17. A lodger in a newly constructed house might be expected to pay 100 rubles a month for rent. If this sum were reported to the domuprav, 85 per cent of it would have to be turned over to the State as a tax on unearned income. Consequently, the real rent is usually set on the basis of a personal agreement between owner and lodger, while a lower figure is reported to the officials in an effort to avoid the tax.

Housing Administration in Mukachevo

18. Mukachevo is divided into several housing administration rayons (domoupraviteleye rayony). Source does not know the exact number of these rayons, but his own place of residence was in the fourteenth rayon. Each domoupraviteleye rayon has a housing office (domuprav). These offices function under the Gorkomkhoz (City Administration of Communal Economy) of the City Executive Committee (Gorispolkom). Every residence in the city comes under one of the housing offices. The housing offices look after the repairs and maintenance of all dwellings, whether or not they are individually owned and controlled.

19. Every building in the city has a domovaya kniga (house booklet) in which each resident of the dwelling is registered. If the building is an individual dwelling unit, the domovaya kniga is kept by the owner of the building. If it is a small apartment house with about 20 families or less, the domovaya kniga is kept by one of the occupants who would be named by the housing office to act as the house manager (upravdom). The position of upravdom in this case would not be a full time job but would be a task taken on for extra pay by a person who had a regular job. When construction on a new house has been completed, the owner is issued a domovaya kniga by the housing office.

1. [REDACTED] Comment: On 26 August 1948, the Presidium of the Supreme Soviet of the USSR issued a law stating the right of Soviet citizens to build individual homes comprising one or two stories and one to five rooms. Individual builders were to be allowed loans up to 10,000 rubles, payable in seven years at two per cent interest.

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